



Iyuno A/S

Dortheavej 4
2400 København NV
CVR No. 65125218

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Lars Birk

Chairman of the General Meeting

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Entity details

Entity

Iyuno A/S

Dortheavej 4

2400 København NV

Business Registration No.: 65125218

Registered office: Copenhagen

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Nicholas John Mills, Chairman

Lars Birk

Markus Böcker

Executive Board

Lars Birk, CEO

Auditors

PricewaterhouseCoopers

Strandvejen 44

2900 Hellerup

CVR No.: 33771231

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Iyuno A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2024

Executive Board

Lars Birk
CEO

Board of Directors

Nicholas John Mills
Chairman

Lars Birk

Markus Böcker

Independent auditor's report

To the Shareholders of Iyuno A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Iyuno A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, the management commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the management commentary.

Management's responsibilities for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 28.06.2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
Identification No (MNE) mne23327

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Revenue	115,174	91,391	71,429	54,873	50,285
Gross profit/loss	21,497	16,468	10,215	6,755	6,996
Operating profit/loss	5,472	5,952	1,179	(1,919)	(1,908)
Net financials	27	(1,516)	(1,529)	(74)	(875)
Profit/loss for the year	4,900	4,219	(573)	(2,196)	(3,063)
Total assets	76,669	57,443	26,967	24,080	21,334
Investments in property, plant and equipment	1,494	3,632	808	1,915	430
Equity	(4,019)	(9,256)	(13,475)	(12,933)	(10,357)
Average number of employees	535	386	294	324	299
Ratios					
Gross margin (%)	18.66	18.02	14.30	12.31	13.91
Net margin (%)	4.25	4.62	(0.80)	(4.00)	(6.09)
Equity ratio (%)	(5.24)	(16.11)	(49.97)	(53.71)	(48.55)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Revenue

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The company's primary activities are sound studio activities, primarily the dubbing, recording and mixing of films and TV episodes in Denmark and 6 other countries (Sweden, Norway, Finland, Poland, the Netherlands and Belgium) where the company has branch offices.

Development in activities and finances

The net turnover for the year is EUR 115,173,841 against EUR 91,390,611 last year. The results from ordinary activities after tax are EUR 4,900,071 against EUR 4,218,540 last year. The result from ordinary activities was higher than expected driven by increased scale of the company due to the company's acquisition in 2022 of activities from other group companies.

Capital resources

The company has received a letter of support from its indirect parent lyuno Sweden Holding II AB covering a period of 15 months from 23 May 2024.

Profit/loss for the year in relation to expected developments

In 2023, our company significantly exceeded the initial financial projections. We achieved a revenue of EUR 115,174k and a profit of EUR 4,900k, compared to the estimated revenue of EUR 87,000 - 89,000k and profit of EUR 2,500 - 3,500k.

The combination of successful post-merger integration and operational efficiency led to our better-than-expected financial performance in 2023. Moving forward, we aim to continue leveraging these strengths to sustain and build on this success.

Uncertainty relating to recognition and measurement

The company recognizes work in progress for the projects for which costs were incurred, for which no revenues are recognized based on work delivery. Work in progress is strictly reviewed in terms of accuracy and recoverability. The company does not construct fixed assets internally.

Outlook

In 2024 it is expected that revenue will be inline with prior year due to lower demand of localization services. Estimated result from ordinary activities after tax in range of EUR 4,000,000 – EUR 5,000,000 will be generated. The Revenue is estimated in the range of EUR 100,000,000 – EUR 115,000,000 due to lower demand of localization services compared to 2023.

Knowledge resources

The company is creating and accumulating know-how via systems and processes. In addition, we are continuously increasing the pool of talents and translators cooperating with lyuno.

Environmental performance

The company is not liable to prepare green accounts and has no significant environmental approvals.

Foreign branches

The company is operating via lyuno A/S – Danish headquarters and six branches. Branches are located in Sweden, Norway, Finland, Poland, the Netherlands and Belgium. The company plans further revenue increase which also positively impact on company profitability.

Statutory report on corporate social responsibility

The Iyuno A/S business model is as described under primary activities and is designed to meet high demands related to social conditions, environmental matters, human rights, anticorruption, and bribery.

Iyuno A/S complies with all requirements in relation to social conditions, environmental matters, human rights, anticorruption, and bribery. Iyuno A/S considers its employees as its main asset and the group has established a Code-of-conduct, which also applies to Iyuno A/S employees. Social and personnel Matters is important to the company and a part of the company's code of conduct. Employees also have access to our employee handbook where the local benefits, employment laws and practice is stated. There have been no major updates to the employee handbook during 2023. The content is being reviewed and updated on regular basis. Human Rights is respected and is also an important part of our code of conduct. The company engage fully and proactively with employee unions and work councils.

As a part of the groups onboarding program new employees are introduced to the Code-of-conduct that covers anticorruption and bribery, human rights and social and personnel matters.

During 2023 new employees were introduced to the Code-of-conduct and it's available for all employees on the group's employee portal.

The group will continue to inform the employees of the Code-of-conduct and continuously develop the parts covering anticorruption and bribery, human rights and social and personnel matters. During 2024 updated workshops based on code of conduct and the companies core values will be introduced.

Iyuno A/S has not identified any business risks that influence social and personnel conditions or human rights as there is a close collaboration with all employees and a strict adhering to the group's Code-of-Conduct.

The risks related to environmental matters are low due to the nature of the business. Therefore there's no policy for climate and environmental matters. Going forward the group aim to develop its environmental policy. As goes for anticorruption and bribery, the company has a zero-tolerance tone at the top combined with a thorough process for onboarding vendors. The organization provides group training on anticorruption and bribery as well as a whistleblower channel for anonymous escalation. Hence, management does not identify any risks related to this area as well.

Statutory report on the underrepresented gender

2023

Supreme management body

Total number of members	3
Underrepresented gender (%)	0.00
Target figures (%)	33.00
Year of expected achievement of target figures	2025

Iyuno A/S' Board of Directors currently consist of three male board members, which have all been elected with reference to their roles within the Group.

During 2023 the company has identified a suitable female board member within the group, it's the goal to replace one male board member during the 2nd half of 2024 at the latest.

As the Board of Directors is elected by the Group and Board members are chosen on the basis of their

individual functions in the Group without a specific focus on gender the process has taken longer than expected.

As for Executive Management and second management level, there is currently equal gender composition.

Due to above matters, the company does not have a defined policy in order to increase the proportion of the underrepresented gender at the company's Management.

	2023
Other management levels	
Total number of members	8
Underrepresented gender (%)	37.50
Target figures (%)	N/A
Year of expected achievement of target figures	N/A

Statutory report on data ethics policy

Iyuno A/S has limited data processing and does not use algorithms for data analysis and none of this is an integral part of the Iyuno A/S' business strategy or business activities. Due to these factors, the company does not have a specific policy on data ethics.

Events after the balance sheet date

Besides from the name change from SDI Media A/S to Iyuno A/S no events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company. Refer to disclosure note 2.

Income statement for 2023

	Notes	2023 EUR	2022 EUR
Revenue	4	115,173,841	91,390,611
Production costs		(93,676,737)	(74,923,066)
Gross profit/loss		21,497,104	16,467,545
Administrative expenses	5	(15,918,099)	(10,734,227)
Other operating income		0	225,452
Other operating expenses		(106,931)	(6,453)
Operating profit/loss		5,472,074	5,952,317
Other financial income	8	722,360	9,900
Other financial expenses	9	(695,348)	(1,525,807)
Profit/loss before tax		5,499,086	4,436,410
Tax on profit/loss for the year	10	(599,020)	(217,870)
Profit/loss for the year	11	4,900,066	4,218,540

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR	2022 EUR
Acquired licences		17,738	34,716
Goodwill		2,036,714	1,624,425
Prepayments for intangible assets		12,006	12,644
Intangible assets	12	2,066,458	1,671,785
Other fixtures and fittings, tools and equipment		1,449,780	1,118,628
Leasehold improvements		3,310,820	2,742,578
Property, plant and equipment in progress		1,167,408	1,467,451
Property, plant and equipment	13	5,928,008	5,328,657
Deposits		105,295	105,530
Financial assets	14	105,295	105,530
Fixed assets		8,099,761	7,105,972
Trade receivables		22,387,137	21,367,290
Contract work in progress		4,911,819	5,209,131
Receivables from group enterprises		34,657,746	19,491,745
Other receivables		219,935	370,956
Tax receivable		167,804	179,573
Prepayments	15	535,085	194,466
Receivables		62,879,526	46,813,161
Cash		5,689,665	3,524,161
Current assets		68,569,191	50,337,322
Assets		76,668,952	57,443,294

Equity and liabilities

	Notes	2023 EUR	2022 EUR
Contributed capital	16	134,444	134,444
Retained earnings		(4,153,646)	(9,390,745)
Equity		(4,019,202)	(9,256,301)
Prepayments received from customers		937,811	1,078,706
Trade payables		12,685,987	12,215,707
Payables to group enterprises		62,624,579	48,713,577
Tax payable		386,254	259,833
Other payables		4,053,523	4,431,772
Current liabilities other than provisions		80,688,154	66,699,595
Liabilities other than provisions		80,688,154	66,699,595
Equity and liabilities		76,668,952	57,443,294

Going concern	1
Events after the balance sheet date	2
Uncertainty relating to recognition and measurement	3
Staff costs	6
Amortisation, depreciation and impairment losses	7
Unrecognised rental and lease commitments	17
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Contingent liabilities	19
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Statement of changes in equity for 2023

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	134,444	(9,390,745)	(9,256,301)
Exchange rate adjustments	0	337,033	337,033
Profit/loss for the year	0	4,900,066	4,900,066
Equity end of year	134,444	(4,153,646)	(4,019,202)

Notes

1 Going concern

The company has lost more than 50% of the share capital. The company is therefore covered by the rules of the Danish Companies Act on capital loss. It is Management's assessment that the equity in the future will be reestablished by capital contributions, earnings or a combination hereof.

The company has received a letter of support from its indirect parent lyuno Sweden Holding II AB covering a period of 15 months from 23 May 2024.

2 Events after the balance sheet date

Besides from the name change from SDI Media A/S to lyuno A/S no events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

3 Uncertainty relating to recognition and measurement

The measurement of work in progress is based on management's best estimate. The estimate is based on expected direct margins per contract considering both the nature of the contract, the individual customer and geography. The finalization of the cost side related to work in progress is connected with some delays, thus a big portion of active contracts as per 31 December 2023, are still not finalized as of May 2024. It is management's assessment that amount included in 2023 reflect the best estimate, however Management wants to emphasize the inherent uncertainty connected with making such estimates.

The company's deferred tax asset cf. note 18 "Contingent tax" is not partly or in full recognised in the balance sheet as the market and the business models for films and series are constantly changing as a result of new players, changed consumer behaviour etc. and therefore is uncertain. It is therefore not possible to do a reliable and prudent estimate for the future profit of the company.

4 Revenue

	2023	2022
	EUR	EUR
Denmark	69,686,315	58,084,864
Rest of Scandinavia	16,699,046	14,776,517
Poland	16,492,815	13,270,326
Belgium	5,493,569	2,857,441
Netherlands	6,802,096	2,401,463
Total revenue by geographical market	115,173,841	91,390,611
Dubbing	81,659,792	69,187,852
Subtitling	28,545,173	18,398,194
Other	4,968,876	3,804,565
Total revenue by activity	115,173,841	91,390,611

5 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	EUR	EUR
Statutory audit services	83,500	53,700
Tax services	12,100	11,400
	95,600	65,100

Statutory audit fee relates to PwC.

6 Staff costs

	2023	2022
	EUR	EUR
Wages and salaries	21,115,174	14,326,728
Pension costs	714,636	526,466
Other social security costs	2,709,680	1,968,151
	24,539,490	16,821,345

Average number of full-time employees	535	386
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Under the exemption rule section 98b of the Danish Financial Statements act, remuneration to Management is not disclosed.

The board of directors do not receive remuneration for their participation in the board as this work is very limited.

7 Depreciation, amortisation and impairment losses

	2023	2022
	EUR	EUR
Amortisation of intangible assets	264,698	39,282
Depreciation of property, plant and equipment	1,127,059	663,998
	1,391,757	703,280

8 Other financial income

	2023	2022
	EUR	EUR
Financial income from group enterprises	54,777	9,352
Other interest income	40,183	548
Exchange rate adjustments	627,400	0
	722,360	9,900

9 Other financial expenses

	2023 EUR	2022 EUR
Financial expenses to group enterprises	684,708	569,527
Other interest expenses	10,640	4,575
Exchange rate adjustments	0	951,705
	695,348	1,525,807

10 Tax on profit/loss for the year

	2023 EUR	2022 EUR
Current tax	599,020	217,870
	599,020	217,870

11 Proposed distribution of profit and loss

	2023 EUR	2022 EUR
Retained earnings	4,900,066	4,218,540
	4,900,066	4,218,540

12 Intangible assets

	Acquired licences EUR	Goodwill EUR	Prepayments for intangible assets EUR
Cost beginning of year	1,256,769	1,717,419	12,644
Exchange rate adjustments	28,961	(85,692)	(638)
Additions	2,018	737,109	0
Cost end of year	1,287,748	2,368,836	12,006
Amortisation and impairment losses beginning of year	(1,222,053)	(92,994)	0
Exchange rate adjustments	(27,027)	4,640	0
Amortisation for the year	(20,930)	(243,768)	0
Amortisation and impairment losses end of year	(1,270,010)	(332,122)	0
Carrying amount end of year	17,738	2,036,714	12,006

13 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR	Property, plant and equipment in progress EUR
Cost beginning of year	6,685,250	5,641,910	1,467,451
Exchange rate adjustments	131,666	146,119	0
Transfers	300,043	0	(300,043)
Additions	624,700	869,646	0
Disposals	(43,087)	0	0
Cost end of year	7,698,572	6,657,675	1,167,408
Depreciation and impairment losses beginning of year	(5,566,622)	(2,899,332)	0
Exchange rate adjustments	(58,930)	13,209	0
Depreciation for the year	(666,327)	(460,732)	0
Reversal regarding disposals	43,087	0	0
Depreciation and impairment losses end of year	(6,248,792)	(3,346,855)	0
Carrying amount end of year	1,449,780	3,310,820	1,167,408

14 Financial assets

	Deposits EUR
Cost beginning of year	105,530
Exchange rate adjustments	(235)
Cost end of year	105,295
Carrying amount end of year	105,295

15 Prepayments

Prepayments consist of paid expenses regarding the coming periods primarily related to rent, insurances, and servers.

16 Share capital

	Number	Nominal value EUR
Share capital	1,344,436	134,444
	1,344,436	134,444

17 Unrecognised rental and lease commitments

	2023 EUR	2022 EUR
Liabilities under rental or lease agreements until maturity in total	13,381,864	9,802,004

Amount due within 1 year: EUR'000 1,866

Amount due in 1-5 years: EUR'000 6,302

Amount due in more than 5 years: EUR'000 5,214

18 Contingent assets

The Company has a contingent tax asset of EUR 13.9 million with a net tax asset value of EUR 3.1 million which has not been recognised in the Financial Statements due to uncertainty of the ability to use the tax asset within a foreseeable future.

19 Contingent liabilities

	2023	2022
	EUR	EUR
Recourse and non-recourse guarantee commitments	721,001	463,995
Contingent liabilities	721,001	463,995

20 Assets charged and collateral

The company has issued company mortgage of EUR'000 1,341 to the company's bank. The mortgage covers receivables and property, plant and equipment with a combined book value of EUR'000 62,973.

21 Related parties with controlling interest

Iyuno Sweden Holding I AB, Kungsbros Strand 15A, 112 26 Stockholm, Sweden is the ultimate parent company with controlling interest in Iyuno A/S.

Iyuno Sverige Holding AB, Kungsbros Strand 15A, 112 26 Stockholm, Sweden is the immediate parent with controlling interest in Iyuno A/S.

22 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report in accordance with section 98C(7) of the Danish Financial Statements Act. No such transactions have been conducted in the financial year.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements 2023 for the largest group: Iyuno Sweden Holding I AB, Kungsbros Strand 15A, Stockholm SE-AB SE 112 26. The consolidated financial statements may be obtained at the registered office.

Iyuno Sverige Holding AB who is the parent of the smallest group does not prepare consolidated financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary

activities.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost

based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of lyuno Sweden Holding II AB.